
# Financial Results for FY2006

May 14, 2007

CHIYODA CORPORATION

# 1. Financial Data

(¥ billion)

| | 2007/3 | 2006/3 | Difference | YoY increase | 2007/3 Previous forecast | Difference |
|---|---|---|---|---|---|---|
| New contracts | 557.7 | 804.2 | (246.5) | (31%) | 530.0 | +27.7 |
| Revenues | 484.8 | 390.8 | +94.0 | 24% | 460.0 | +24.8 |
| Operating income | 28.7 | 20.7 | +7.9 | 39% | 27.0 | +1.7 |
| Ordinary income | 36.7 | 23.1 | +13.6 | 59% | 34.0 | +2.7 |
| Net income | 23.5 | 19.4 | +4.1 | 21% | 21.0 | +2.5 |
| Dividend | ¥15 | ¥10 | +¥5 | | ¥15 | ¥0 |
| Exchange rate | ¥118/$ | ¥117/$ | | | ¥120/$ | |

# 2. Revenues by Industry

(¥ billion)

| Industry | | 2007/3 | 2006/3 | Difference | YoY increase |
|---|---|---|---|---|---|
| | LNG | 337.1 | 229.7 | +107.4 | 47% |
| | Gas processing *1 | 26.2 | 18.8 | +7.3 | 39% |
| | Others | 14.9 | 36.9 | (21.9) | (60%) |
| **Overseas** | | **378.3** | **285.5** | **+92.7** | **33%** |
| | Petroleum and petrochemicals | 62.4 | 39.2 | +23.1 | 59% |
| | Fine industries *2 | 28.3 | 21.5 | +6.7 | 31% |
| | Others | 15.7 | 44.4 | (28.6) | (65%) |
| **Domestic** | | **106.5** | **105.3** | **+1.2** | **1%** |
| **Total** | | **484.8** | **390.8** | **+94.0** | **24%** |

Notes: *1 Classified as “Other gas and power” in report of financial results.

*2 Classified as “General industrial machinery” and “General chemicals” in report of financial results.

# 3. Operating Income

(¥ billion)

| | 2007/3 | 2006/3 | Difference | Rate of growth |
|---|---|---|---|---|
| **Gross profit** | **39.7** | **30.5** | **+9.1** | **30%** |
| Gross margin | 8.2% | 7.8% | 0.4pt. | |
| **SG&A expenses** | **11.0** | **9.8** | **+1.2** | **12%** |
| SG&A ratio | 2.3% | 2.5% | (0.2pt.) | |
| **Operating income** | **28.7** | **20.7** | **+7.9** | **39%** |
| Operating income to revenues | 5.9% | 5.3% | 0.6pt. | |

# 4. Other Income and Expenses

(¥ million)

| | 2007/3 | 2006/3 | Difference |
|---|---|---|---|
| **Other income** | 9,373 | 3,280 | +6,092 |
| Interest and dividend income | 8,511 | 2,667 | +5,843 |
| Equity in earnings of associated companies | 375 | 193 | +182 |
| Rental income | 259 | 269 | (9) |
| Others | 226 | 151 | +75 |
| **Other expenses** | (1,275) | (848) | (426) |
| Interest expense | (310) | (302) | (8) |
| Foreign exchange loss | (628) | (174) | (454) |
| Rental expense | (138) | (148) | +9 |
| Others | (197) | (223) | +26 |
| **Other income and expenses** | 8,097 | 2,432 | +5,665 |

# 5. Extraordinary Gain and Loss and Income Taxes

(¥ million)

| | 2007/3 | 2006/3 | Difference |
|---|---|---|---|
| **Extraordinary gain** | 1,171 | 1,590 | (419) |
| Reversal of allowance for doubtful accounts | 742 | 1,367 | (624) |
| Reversal of reserve for investment losses | 263 | - | +263 |
| Others | 166 | 223 | (57) |
| **Extraordinary loss** | (33) | (2,845) | +2,812 |
| Loss on termination of certain retirement benefit plans | - | (1,995) | +1,995 |
| Others | (33) | (850) | +817 |
| **Other Income - net** | 1,137 | (1,255) | +2,392 |

| | | | |
|---|---|---|---|
| **Income Taxes** | | | |
| Current | (16,209) | (4,478) | (11,731) |
| Deferred | 1,866 | 2,011 | (144) |
| **Total** | (14,342) | (2,467) | (11,875) |

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# 6. Balance Sheet

(¥ billion)

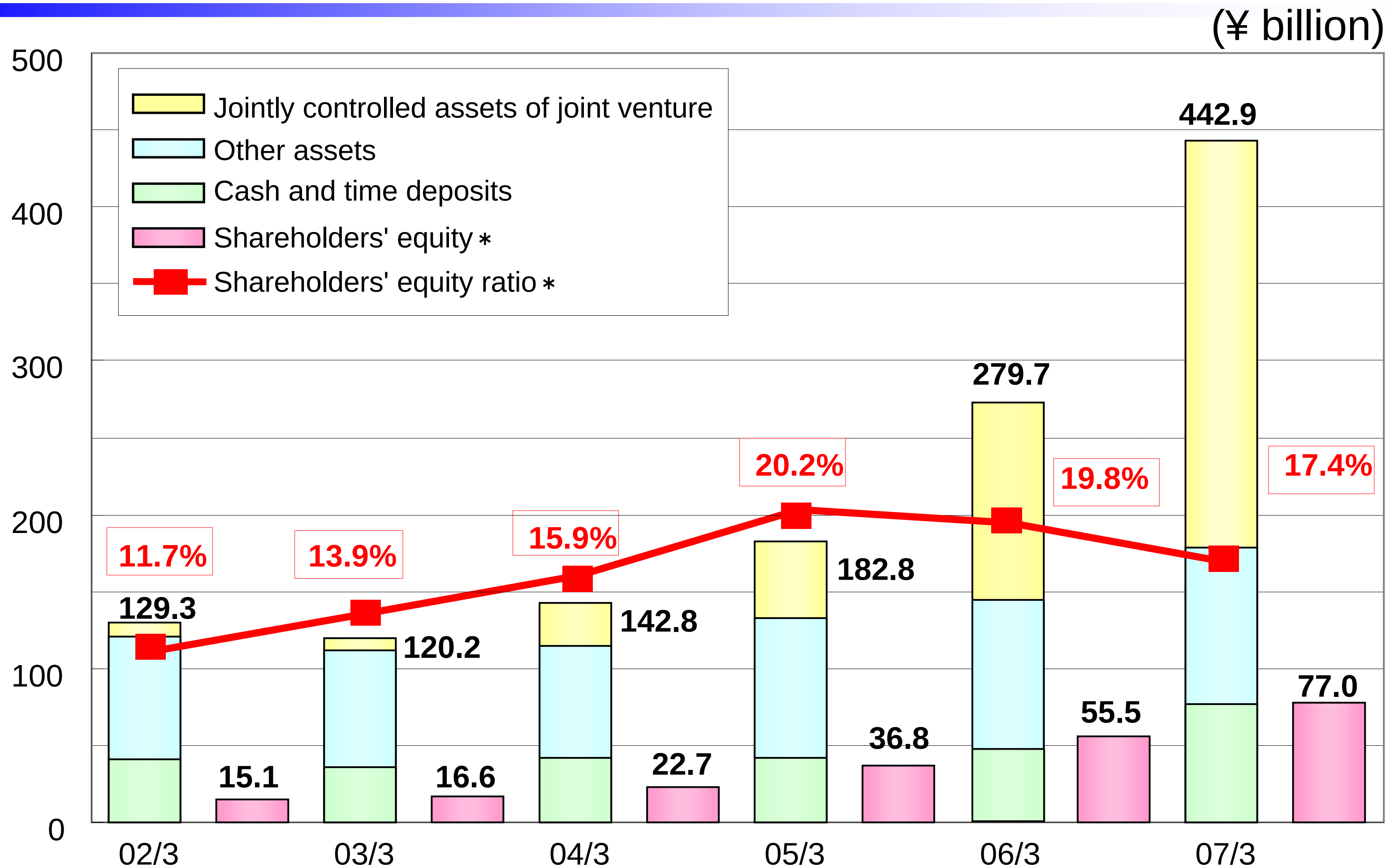
| | 07/3 | 06/3 | Difference |
|---|---|---|---|
| **Current assets** | 418.0 | 256.6 | +161.4 |
| Cash and cash equivalents and time deposits | 77.1 | 47.0 | +30.1 |
| Operating assets (*1) | 66.3 | 64.8 | +1.4 |
| Jointly controlled assets of joint venture (*3) | 256.0 | 131.3 | +124.7 |
| Others | 18.4 | 13.3 | +5.1 |
| **Fixed assets** | 24.9 | 23.0 | +1.8 |
| Property, plant and equipment | 7.4 | 7.0 | +0.3 |
| Intangible fixed assets | 3.3 | 3.1 | +0.1 |
| Investments and other assets | 14.0 | 12.8 | +1.2 |
| **Assets** | 442.9 | 279.7 | +163.2 |

| | 07/3 | 06/3 | Difference |
|---|---|---|---|
| **Current liabilities** | 351.4 | 205.1 | +146.2 |
| Short-term loans | 0.0 | 0.0 | +0.0 |
| Operating liabilities (*2) | 318.6 | 187.8 | +130.7 |
| Others | 32.7 | 17.2 | +15.4 |
| **Non-current liabilities** | 14.0 | 18.6 | (4.6) |
| Long-term debt | 10.0 | 10.1 | (0.1) |
| Others | 4.0 | 8.5 | (4.5) |
| **Total net assets** | 77.4 | 55.8 | +21.5 |
| **Total liabilities and net assets** | 442.9 | 279.7 | +163.2 |
| **Shareholders' equity** | 77.0 | 55.5 | +21.5 |

Notes

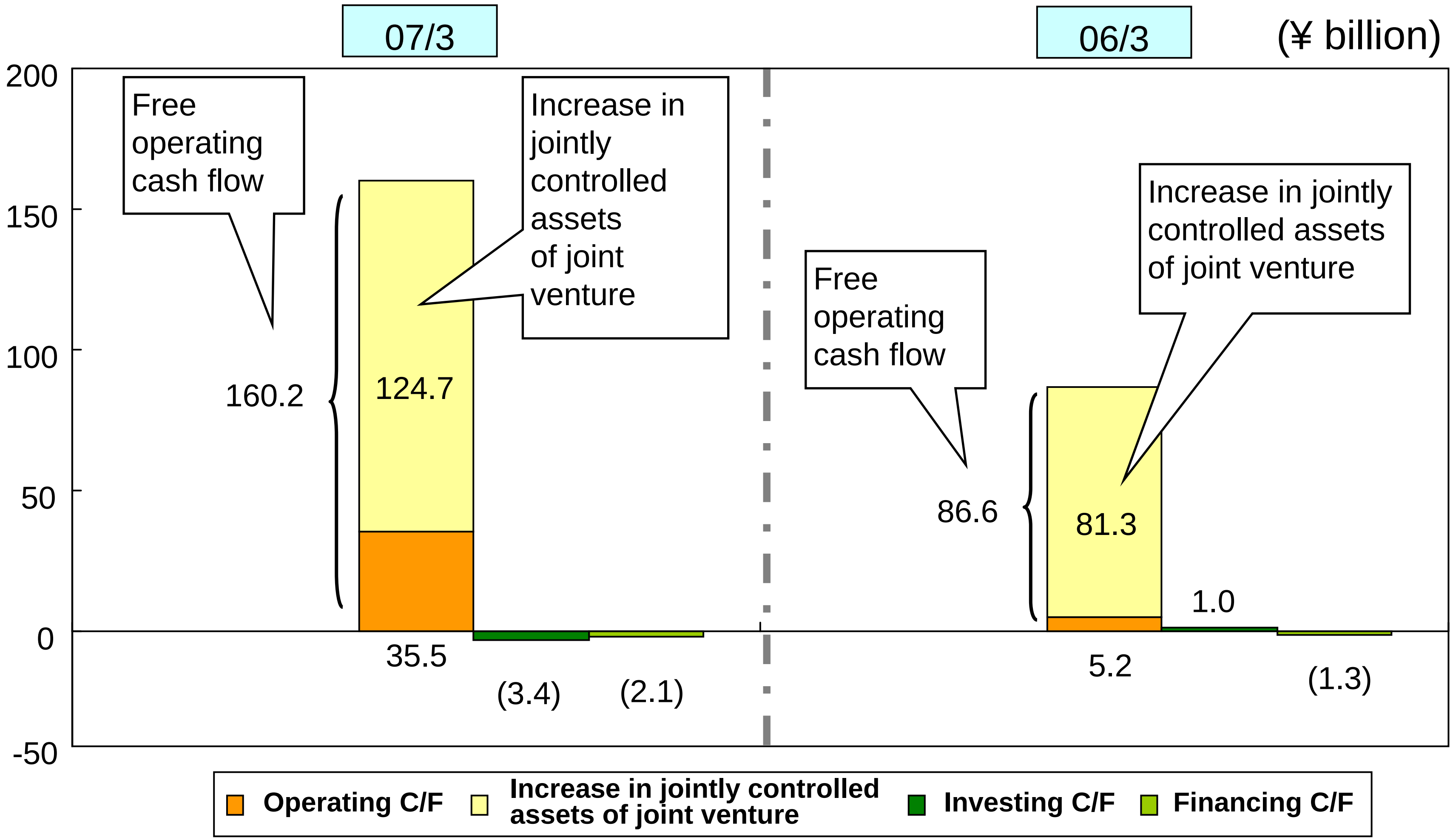
(*1) Operating assets = Notes and accounts receivable-trade + Costs and estimated earnings on long-term revenues + Costs of revenues in process
(*2) Operating liabilities = Notes and accounts payable-trade + advance receipts on revenues
(*3) Jointly controlled assets of joint venture: Cash and time deposits of joint venture proportional to Chiyoda's interest

# 7. Stability




∗ Shareholders' equity and the shareholders equity ratio of fiscal years prior to the fiscal year ended March 2006 are calculated on the basis of the former accounting standards.

# 8. Cash Flow

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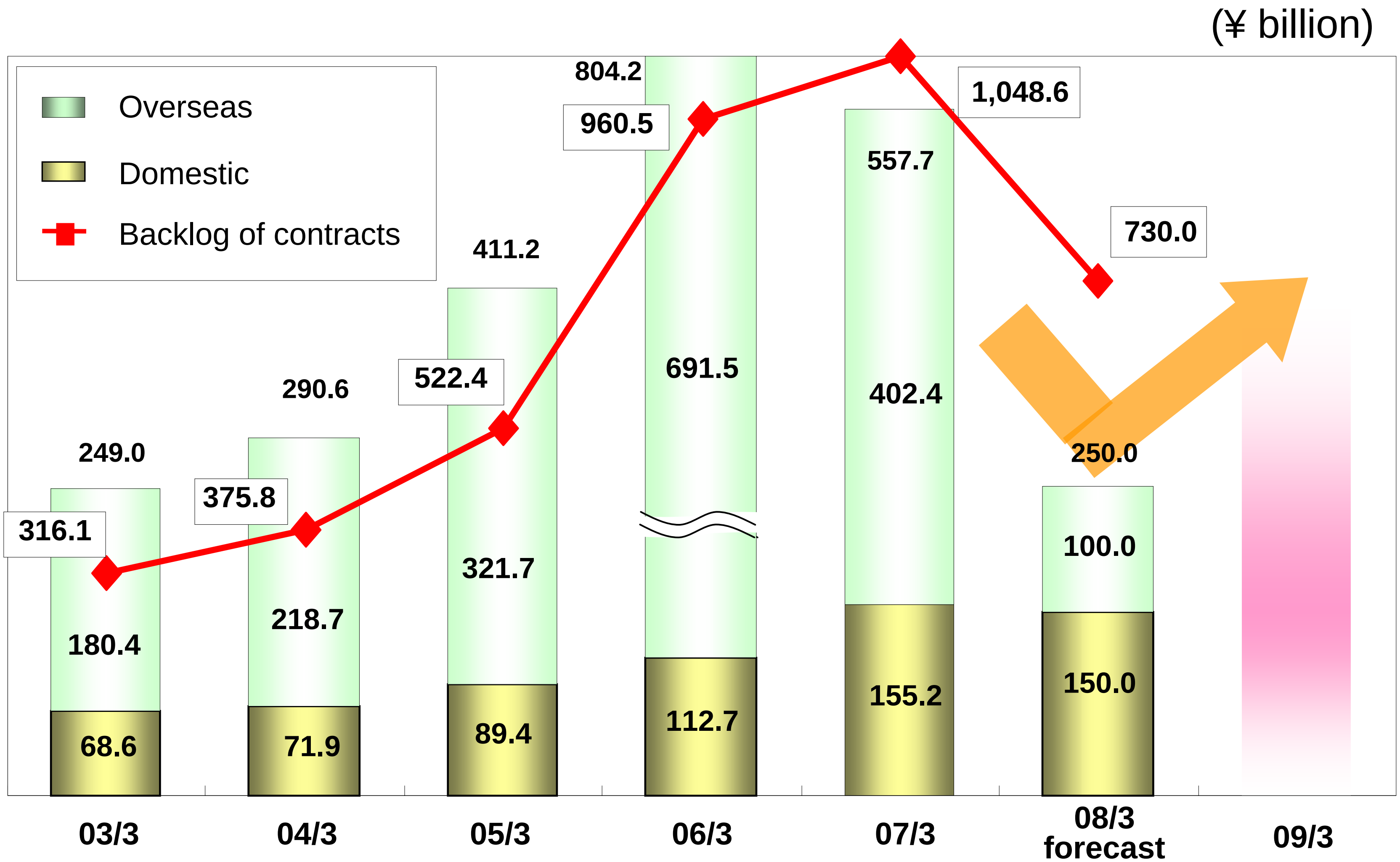
# 9. New Contracts and Backlog of Contracts



# 10. New Contracts and Backlog of Contracts by Industry

(¥ billion)

| Industry | | New contracts | % | Backlog of contracts | % |
|---|---|---|---|---|---|
| | LNG | 120.5 | 22% | 644.7 | 61% |
| | Gas processing＊1 | 262.9 | 47% | 243.9 | 23% |
| | Others | 18.9 | 3% | 14.4 | 1% |
| **Overseas** | | **402.4** | 72% | **903.1** | 86% |
| | Petroleum and petrochemicals | 71.8 | 13% | 61.8 | 6% |
| | Fine industries＊2 | 32.8 | 6% | 22.0 | 2% |
| | Others | 50.5 | 9% | 61.7 | 6% |
| **Domestic** | | **155.2** | 28% | **145.5** | 14% |
| **Total** | | **557.7** | 100% | **1,048.6** | 100% |

Notes: ＊1 Classified as “Other gas and power” in report of financial results.

＊2 Classified as “General industrial machinery” in report of financial results.

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# 11. Forecast of Results for FY Ending March 31, 2008

(¥ billion)

| | 08/3 forecast | 07/3 | Difference | YoY increase |
|---|---|---|---|---|
| New contracts | 250.0 | 557.7 | (307.7) | (55%) |
| Revenues | 550.0 | 484.8 | +65.1 | 13% |
| Operating income | 30.0 | 28.7 | +1.2 | 5% |
| Ordinary income | 38.5 | 36.7 | +1.7 | 5% |
| Net income | 23.5 | 23.5 | 0 | 0% |
| Dividend per share | ¥18 | ¥15 | +¥3 | |
| Exchange rate | ¥115/$ | ¥118/$ | | |

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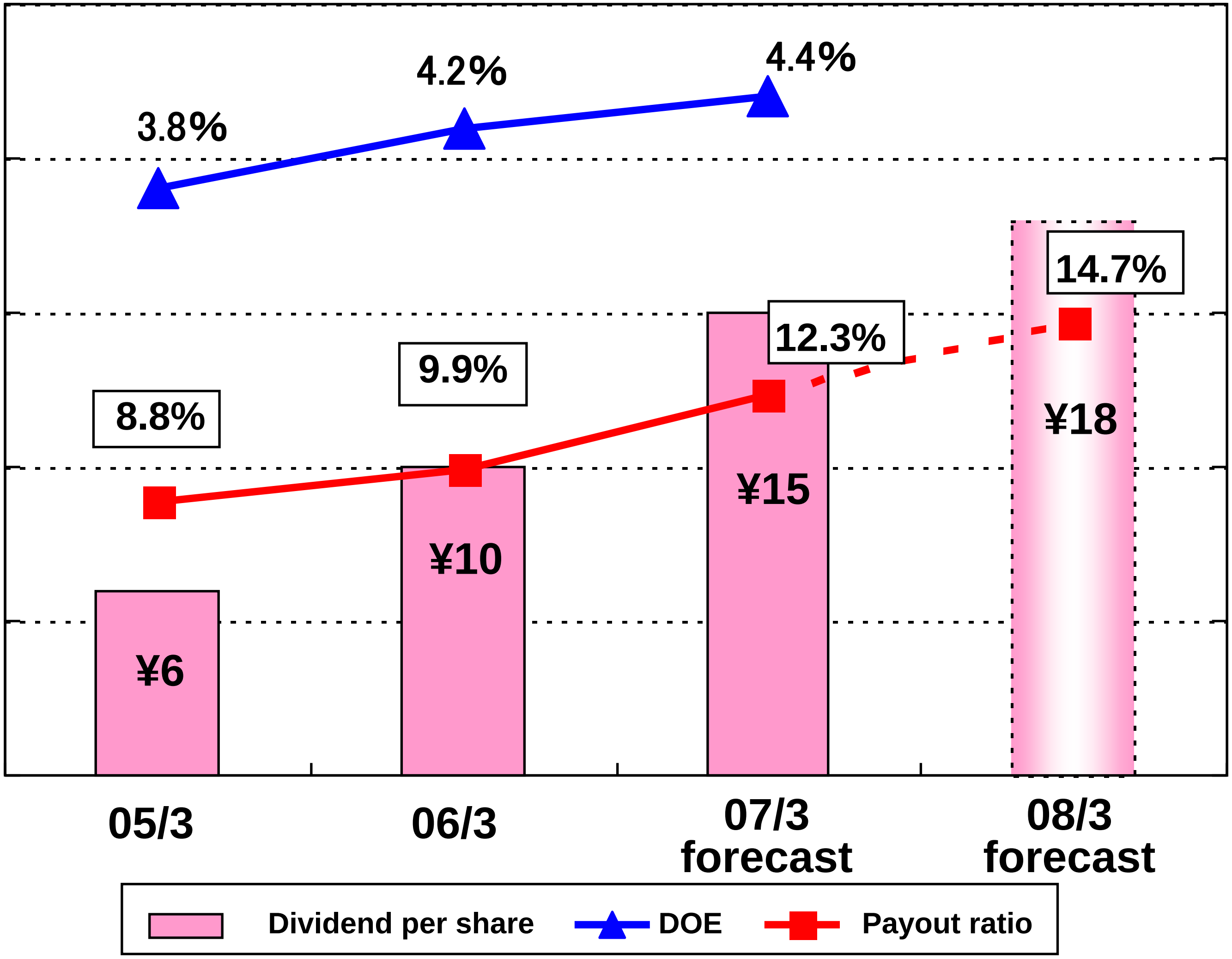
# 12. Breakdown of Forecast of Results

(¥ billion)

| | 08/3 forecast | 07/3 | Difference |
|---|---|---|---|
| **Revenues** | **550.0** | **484.8** | **+65.1** |
| Overseas | 430.0 | 378.3 | +51.6 |
| Domestic | 120.0 | 106.5 | +13.4 |
| **Gross profit** | **42.0** | **39.7** | **+2.2** |
| SG&A expenses | 12.0 | 11.0 | +0.9 |
| **Operating income** | **30.0** | **28.7** | **+1.2** |
| Other income and expenses (net) | 8.5 | 8.0 | +0.4 |
| **Ordinary income** | **38.5** | **36.7** | **+1.7** |
| Extraordinary gain (loss), income taxes and minority interests in net income | (15.0) | (13.2) | (1.7) |
| **Net income** | **23.5** | **23.5** | **0.0** |

# 13. Earnings Distributions



# Consolidated Performance Indicators

| Consolidated Performance Indicators | 05/3 | 06/3 | 07/3 |
|---|---|---|---|
| Gross margin (%) | 7.4 | 7.8 | 8.2 |
| SG&A expenses to revenues (%) | 3.3 | 2.5 | 2.3 |
| Operating income to revenues (%) | 4.1 | 5.3 | 5.9 |
| Ordinary income to revenues (%) | 4.3 | 5.9 | 7.6 |
| Net income to revenues (%) | 4.8 | 5.0 | 4.9 |
| Return on assets (ROA) (%) | 7.1 | 10.0 | 10.2 |
| Return on equity (ROE) (%) | 43.1 | 42.0 | 35.5 |
| Net income per share (EPS) (Yen) | 68.62 | 101.27 | 122.41 |
| Book value per share (BPS) (Yen) | 193.22 | 288.88 | 400.56 |
| Shareholders' equity ratio (%) | 20.2 | 19.8 | 17.4 |
| Current ratio (%) | 115.9 | 125.1 | 118.9 |
| Fixed ratio (%) | 56.6 | 41.6 | 32.3 |
| Debt-to-equity ratio (DER) (Times) | 0.28 | 0.18 | 0.13 |

# Consolidated Segment Information

| | | | Revenues (%) | | | New contracts (%) | | | Backlog of contracts (%) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 05/3 | 06/3 | 07/3 | 05/3 | 06/3 | 07/3 | 05/3 | 06/3 | 07/3 |
| Geographical segment | Domestic | | 33 | 27 | 22 | 22 | 14 | 28 | 17 | 10 | 14 |
| | Overseas | Middle East | 36 | 51 | 65 | 70 | 82 | 62 | 57 | 81 | 79 |
| | | Russia | 19 | 14 | 10 | 3 | 2 | 7 | 20 | 8 | 6 |
| | | Asia, Others | 12 | 8 | 3 | 5 | 2 | 3 | 6 | 1 | 1 |

# Major New Contracts & Completed Construction

## Major New Contracts

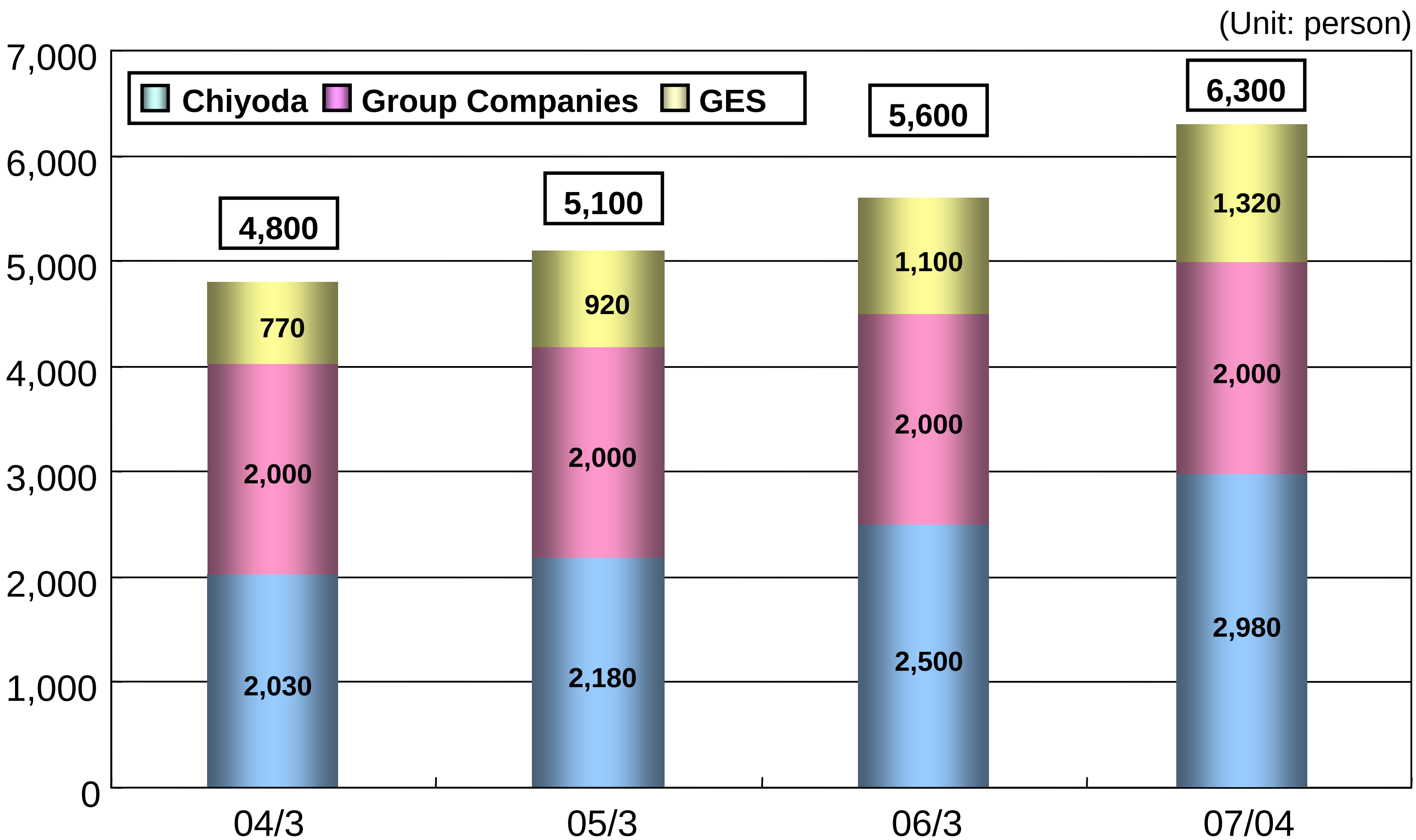
| | |
|---|---|
| **Overseas** | • Al Khaleej Gas Phase 2 project for ExxonMobil in Qatar<br>• Feed gas preparation works of Pearl GTL project for Royal Dutch Shell in Qatar<br>• Integrated tank terminal (Phase 2) in Singapore (Chiyoda Singapore (Pte) Limited) |
| **Domestic** | • CCR unit for Seibu Oil Co., Ltd.<br>• Expansion of No. 7 naphtha hydrodesulfurization plant for Fuji Oil Co., Ltd.<br>• Expansion of L-2 unit for Eisai Co., Ltd.<br>• Utsunomiya No. 2 Plant for Hisamitsu Pharmaceutical Co., Inc.<br>• Hikone Plant, No. 4 unit (Chiyoda TechnoAce Co., Ltd.) for Maruho Co., Ltd. |

## Major Completed Construction

∗ completed portion

| | |
|---|---|
| **Overseas** | • LNG plant Train 5 for Ras Laffan Liquefied Natural Gas Co., Ltd. (2) in Qatar<br>• Al Khaleej Gas Phase 1 project for ExxonMobil in Qatar<br>• LNG plant Trains 4 & 5 for Qatar Liquefied Gas Company Limited (Ⅱ) in Qatar (∗)<br>• LNG plant Trains 6 & 7 for Ras Laffan Liquefied Natural Gas Co., Ltd. (3) in Qatar (∗)<br>• LNG plant Trains 6 & 7 for Qatar Liquefied Gas Company Limited (3) & (4) in Qatar (∗)<br>• Sakhalin Ⅱ LNG project in Russia (∗) |
| **Domestic** | • BTX plant for Taiyo Oil Co., Ltd.<br>• Lube oil/grease mixing and filling plant for Nippon Petroleum Refining Co., Ltd.<br>• Aromatics complex for Kashima Aromatics Co., Ltd. (∗)<br>• MXDA facility for Mitsubishi Gas Chemical Company, Inc. (∗)<br>• LPG underground storage terminal in Namikata for Japan Oil, Gas and Metals National Corporation (∗)<br>• Fiscal 2006 regular maintenance of Mizue Plant for Toa Oil Co., Ltd. (Chiyoda Kosho Co., Ltd.) |

# Structure of Global Operations




*GES＝Global Engineering Satellites in the Philippines and India

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**Forward-looking Statements**

The forecasts and plans in this presentation are based on information available to management on May 14, 2007, the date these materials were prepared. Actual results may differ significantly from these forecasts for a number of factors, including but not limited to changes in economic conditions and operating environment in Japan and overseas.